

**Insolvency Professional Agency of Institute of Cost
Accountants of India**

Fortnightly Newsletter (6th)

16th – 30th June, 2017



INSOLVENCY PROFESSIONAL AGENCY OF INSTITUTE OF COST ACCOUNTANTS OF INDIA

INSTITUTE OF COST ACCOUNTANTS OF INDIA

CMA BHAWAN, 3, INSTITUTIONAL AREA

4TH FLOOR, LODHI ROAD

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Published by:

[Insolvency Professional Agency of Institute of Cost Accountants of India](#)

(Section 8 Company registered under the Companies Act, 2013)

CIN: U74999DL2016NPL308717

4th Floor, CMA Bhawan, 3, Institutional Area,

Lodhi Road, New Delhi - 110003

Phone No: 011-24666112

Email: ipa@icmai.in



**President, The Institute of Cost Accountants of India, and
Director, Insolvency Professional Agency of Institute of Cost Accountants of India**
“CMA Bhawan”, 3 Institutional Area,
4th Floor, Lodhi Road, New Delhi-110003

FOREWORD

Dear Professional Colleagues,

I feel happy that IPA of ICAI is issuing its sixth edition of the “Fortnightly Newsletter”. This edition of the Newsletter is divided into three modules, namely: (i) Knowledge Bites, containing key highlights of the Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017; (ii) An Overview of some recent cases admitted/rejected by various benches of NCLT; and (iii) Recent News Updates and Information- about the IBBI, MCA, SEBI and IPA ICAI.

IPA ICAI is constantly making efforts to create awareness in the country and amongst its professional to ensure better understanding and speedy implementation of the provisions of the Insolvency and Bankruptcy Code 2016. It has conducted two Round Table Programmes in the month of June 2017 in Mumbai and Bangalore for discussion on Draft Companies (Registered Valuers and Valuation) Rules, 2017. One more Round table Programme is scheduled to be held on 4th July, 2017 in Kolkata. IPA ICAI has planned to conduct more of such programmes in future.

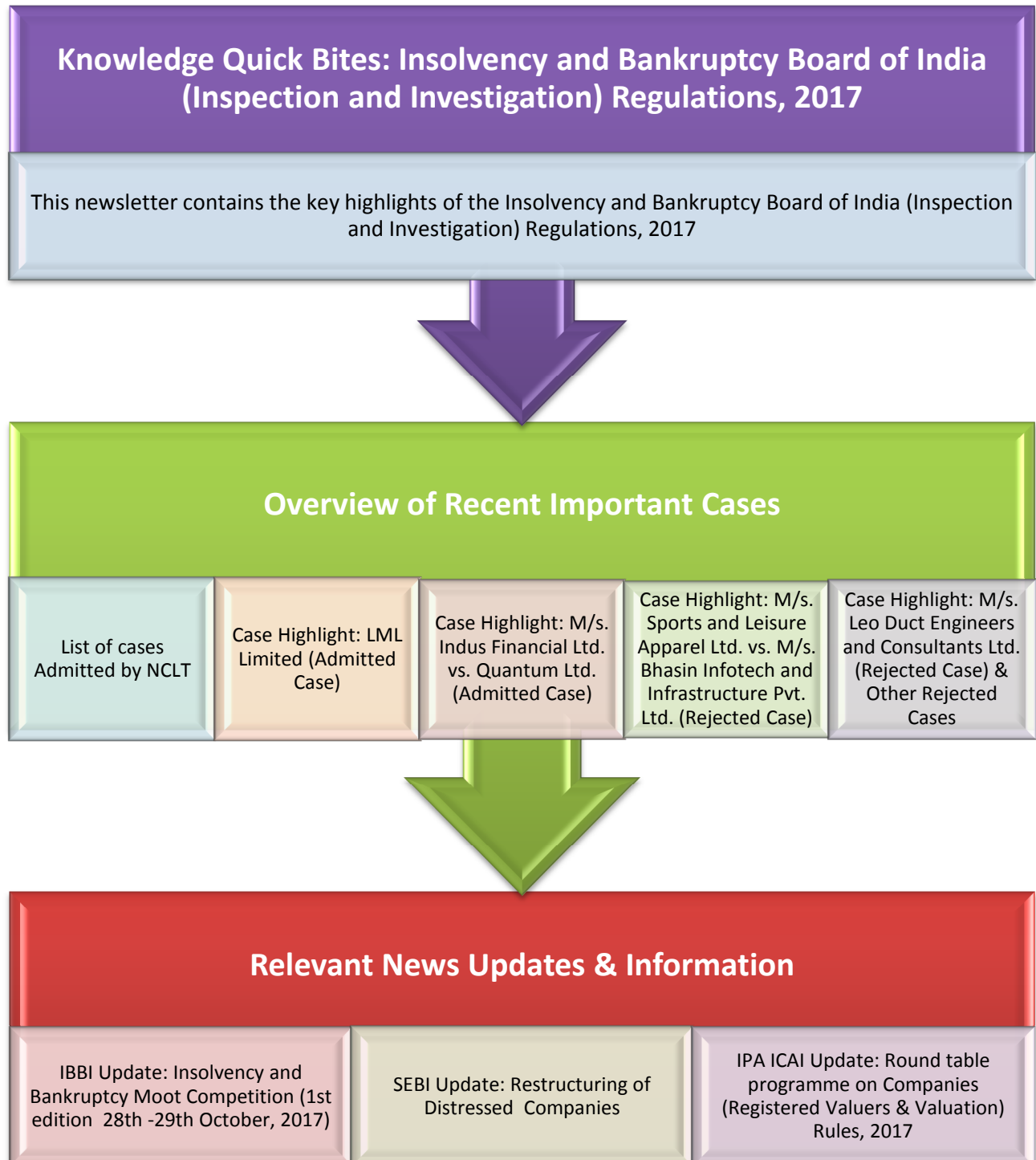
I have a pleasure to inform that the Insolvency and Bankruptcy Board of India has constituted a Working Group for recommending the strategy and approach for implementation of the provisions of the Insolvency and Bankruptcy Code, 2016 to deal with Insolvency and Bankruptcy of Guarantors to Corporate Debtors and Individuals having business and drafted related rules and regulations. The Insolvency and Bankruptcy Board of India has nominated CMA J.K. Budhiraja, Chief Executive Officer, IPA of ICAI as one of the members of the Working Group. The Working Group has already started working on Rules and Regulations relating to Individuals and Unlimited Partnership Firms.

*The validity of registration for Insolvency Professionals registered under Regulation 9 of IBBI (Insolvency Professionals) Regulations 2016 is expiring on 6th July 2017. I urge again to all such insolvency professionals who got themselves enrolled with IPA of ICAI and registered under Regulation 9 is to clear the Limited Insolvency Examination. These professionals may also refer an Article: **How to prepare for Limited Insolvency Examination under IBC 2016** written by CMA J K Budhiraja, CEO of IPA of ICAI published by the Institute of Cost Accountants of India in its June edition of Management Accountant.*

With warm regards,

(CMA Manas Kumar Thakur)

We welcome the readers to the sixth edition of the Fortnightly Newsletter of the Insolvency Professional Agency of the Institute of Cost Accountants of India. This edition of the Newsletter is arranged in the following format:



Knowledge Quick Bites

Insolvency and Bankruptcy Board of India has notified the Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017 vide NOTIFICATION No. IBBI/2017-18/GN/REG01 dated 12th June, 2017. The key highlight of the Regulations is given below:

- These regulations shall apply to inspection and investigation of service providers.
- Following are the service providers as has been defined under the Regulations.
 - Insolvency Professional Agency;
 - Insolvency Professional;
 - Insolvency Professional Entity; and
 - Information Utility

Inspection

- The Board has the powers to conduct inspection of such number of service providers every year, as may be decided by the Board from time to time.
- The Board may direct an Inspecting Authority to conduct an inspection of records of a service provider which includes:
 - a) to ensure that the records are being maintained by a service provider in the manner required under the relevant regulations.
 - b) to ascertain whether adequate internal control systems, procedures and safeguards have been established and are being followed by a service provider to fulfill its obligations under the relevant regulations.
 - c) to ascertain whether any circumstance exists which would render a service provider unfit or ineligible.
 - d) to ascertain whether the provisions of the Code, or the rules, regulations and guidelines made thereunder and the directions issued by the Board.
 - e) to inquire into the complaints received from clients or any other person on any matter having a bearing on the activities of a service provider and
 - f) such other purpose as may be deemed fit by the Board in furtherance of the objectives of the Code.
- The Board and the Inspecting Authority shall make every effort to keep the inspection confidential and to cause the least burden on, or disruption to, the business of the service provider under inspection.

Conduct of Inspection

- The Inspecting Authority shall serve a notice of inspection to the service provider at least 10 days before the commencement of inspection.
 - The Inspecting Authority may require the service provider or an associated person to submit records, as may be required, before the commencement of inspection.
 - The Inspecting Authority may visit the offices of the service provider for conducting the on-site inspection.
 - It shall be the duty of the service provider and an associated person to produce before the Inspecting Authority such records in his custody or control and furnish to the Inspecting Authority such statements and information relating to its activities within such time as the Inspecting Authority may require.
 - The service provider shall allow the Inspecting Authority to have access to the premises occupied by such service provider or by any other person on its behalf and extend facility for examination of any records in the possession of the service provider or any such other person and provide copies of records or other material which in the opinion of the Inspecting Authority are relevant for the inspection.
 - The Inspecting Authority shall, in the course of inspection, may examine and record statements of any associated person of the service provider in relation to the affairs of his business.
 - It shall be the duty of the service provider and an associated person to give to the Inspecting Authority all assistance which the Inspecting Authority may reasonably require in connection with the inspection.
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- The Inspecting Authority may submit an interim inspection report to the Board, if it considers appropriate, keeping in view the nature and progress of inspection and if the Board is satisfied from the interim inspection report that there is a gross violation of the provisions of the Code by the service provide an immediate action is warranted. The Board shall refer the matter to the Disciplinary Committee for an appropriate action. On consideration of the interim inspection report, the Disciplinary Committee may pass an interim order with appropriate directions to the service provider. The interim order shall lapse on expiry of 90 days.

 - The Inspecting Authority shall send a copy of the draft inspection report to the service provider requiring comments of the service provider within 15 days from receipt of the draft inspection report. The Inspecting Authority shall submit a copy of the draft inspection report to the Board. The Board shall examine the draft inspection report as to whether inspection is complete and satisfactory or requires further inspection and

advise the Inspecting Authority accordingly within 15 days of receipt of draft inspection report. After considering the comments of the service provider and taking into account advice of the Board, the Inspecting Authority shall prepare the inspection report and submit it to the Board.

Investigation

- The Board may direct an Investigating Authority to conduct an investigation of the affairs of the service provider and to report thereon to the Board.

Conduct of Investigation

- The Investigating Authority shall serve a notice of investigation to the service provider at least 10 days before the commencement of investigation if it is satisfied that the notice will cause undue delay in investigation or there is an apprehension that records of the service provider may be destroyed, mutilated, altered, falsified or secreted, after the notice is served, it may, for reasons to be recorded in writing, dispense with such notice.
- The Investigating Authority may require the service provider or an associated person to submit records as may be required, before the commencement of investigation.
- It shall be the duty of the service provider and an associated person to produce before the Investigating Authority such records in his custody or control and furnish to the Investigating Authority such statements and information relating to its activities within such time as the Investigating Authority may require.
- The service provider shall allow the Investigating Authority to have access to the premises occupied by such service provider or by any other person on its behalf and extend facility for examination of any records in the possession of the service provider or any such other person and provide copies of records or other material which in the opinion of the Investigating Authority are relevant for the investigation.
- The Investigating Authority shall, in the course of investigation, may examine and record statements of any associated person of the service provider in relation to the affairs of his business and for that purpose may require any of those persons to appear before it personally.
- It shall be the duty of the service provider and an associated person to give to the Investigating Authority all assistance which the Investigating Authority may reasonably require in connection with the investigation.
- The Investigating Authority may keep in its custody any record produced to it up to six months and thereafter shall return the same to the person by whom or on whose behalf the records were produced.

- During the course of investigation, the Investigating Authority has reasonable grounds to believe that the records of, or relating to, a service provider or an associated person in any manner, may be destroyed, mutilated, altered, falsified or secreted, the Investigating Authority may make an application to the competent court having jurisdiction for an order for the seizure of such records.
 - After considering the application and hearing the Investigating Authority, if necessary, the competent court may, by order, authorize the Investigating Authority-
 - to enter, with such assistance, as may be required, the place or places where such records are kept
 - to search that place or those places in the manner specified in the order; and
 - to seize records, it considers necessary, for the purposes of the investigation.
 - The Investigating Authority may requisition the services of any police officer or any officer of the Central Government or of both to assist him in search and seizure under the order under sub-regulation and it shall be the duty of every such officer to comply with such requisition.
 - Every search or seizure shall be carried out in accordance with the provisions of the Code of Criminal Procedure, 1973 (2 of 1974) relating to searches or seizures made under that Code.
- The Investigating Authority may submit an interim investigation report to the Board keeping in view the nature and progress of investigation. If the Board is satisfied from the interim investigation report that there is a gross violation of the provisions of the Code or by the service provider and an immediate action the Board shall refer the matter to the Disciplinary Committee for an appropriate action. On consideration of the interim investigation report, the Disciplinary Committee may pass an interim order with appropriate directions to the service provider. The interim order shall lapse on expiry of 90 days.
 - The Investigating Authority shall submit a copy of the draft investigation report to the Board. The Board shall examine the draft investigation report as to whether investigation is complete and satisfactory or requires further investigation and advise the Investigating Authority accordingly within 15 days of receipt of the draft investigation report. After taking into account advice of the Board, the Investigating Authority shall prepare the investigation report and submit it to the Board.
 - The Board shall consider the inspection report/investigation report received, as the case may be, expeditiously and if the Board after consideration of the report is of the opinion that sufficient cause exists to take actions it shall issue a show-cause notice in

accordance to the service provider or an associated person and in any other case. The show-cause notice shall be in writing and shall state-

- a) the provisions of the Code under which it has been issued.
 - b) the details of the alleged facts.
 - c) the details of the evidence in support of the alleged facts.
 - d) the provisions of the Code or the rules, regulations or guidelines made thereunder, allegedly violated.
 - e) the actions or directions that the Board proposes to take or issue, if the allegations are established; and
 - f) the time within which the noticee may make written submission.
- The show-cause notice shall provide at least 21 days to the noticee to make a written submission.
 - The show-cause notice shall state, if a noticee fails to respond within the given time, it shall be disposed of based on the material available on record.
 - The show-cause notice shall enclose copies of relevant documents and extracts of relevant portions from the report of investigation or inspection, or other records.
 - A show-cause notice issued shall be served on the noticee-
 - a. by sending it to the noticee at its registered office, by registered post with acknowledgement due; and
 - b. by an appropriate electronic form to the email address provided by the service provider to the Board.
 - The Board shall refer the show-cause notice to the Disciplinary Committee alongwith all the relevant records including the written submissions, if any, made by the noticee in the matter.
 - The Disposal of Show-cause notice will be done in the following manner:
 - 1) The Disciplinary Committee, after providing an opportunity of being heard to the noticee, shall dispose of the show-cause notice by a reasoned order.
 - 2) The Disciplinary Committee shall dispose of the show-cause notice within a period of 180 days of the issue of the show-cause notice.
 - 3) The order may provide for-
 - a. closure of show-cause notice without any direction
 - b. warning
 - c. any of the actions under sub-sections (2), (3) and (4) of section 220
 - d. a reference to the Board to take any action or
 - e. any other action or direction as may be considered appropriate.

- The order shall not become effective until thirty days have elapsed from the date of issue of the order, unless the Disciplinary Committee states otherwise in the order along with the reasons for the same.
- The order shall be issued to the noticee immediately, and be published on the website of the Board.
- If the order suspends or cancels the registration of a service provider, the Disciplinary Committee may, if it considers fit, require the service provider to-
 - a. discharge pending obligations.
 - b. continue its functions till such time as may be directed, only to enable clients to shift to another service provider; and
 - c. comply with any other directions.

List of cases admitted by various benches of NCLT

Sr. No.	Name of Corporate Debtor	Name of Bench	Creditor/ Debtor	Section	Insolvency Professional	Amount of Default (Crore)
1	M/s. Veelsons Energy Systems Private Limited	Chennai	Corporate Debtor	10	Mr. S. Srinivasan	-
2	M/s. Thirupur Suriya Textiles (P) Limited	Hyderabad	Corporate Debtor	10	Mr. S. Muthuraju	-
3	M/s. Zenith Computers Limited	Mumbai	Corporate Debtor	10	Mr. Chetan T. Shah	1.41
4	M/s. Bharati Defence and Infrastructure Limited	Mumbai	Financial Creditor	7	Mr. Dhinal Shah	591.96
5	M/s. Diamond Power Transformers Limited,	Ahmedabad	Corporate Debtor	10	Mr. Arvind Gaudana	-

List of cases admitted by various benches of NCLT for Voluntary Liquidation

Sr. No.	Name of Corporate Debtor	Name of Bench	Creditor/ Debtor	Section	Insolvency Professional	Amount of Default (Crore)
1	M/s. Wadia BSN India Limited	Mumbai	Corporate Debtor	59	Mr. Uday Vinodchandra Shah	
2	M/s. NKC Telecom Pvt. Ltd.	Mumbai	Corporate Debtor	59	Mr. Balkrishan Sharma	-

An Overview of Recent Important Cases

Case Highlight: LML Limited

Case Title: LML Limited

(Initiation of Corporate Insolvency Resolution Process by Corporate Applicant/ Debtor)

NCLT Bench: Allahabad

Relevant Section: Section 10

Petitioner: LML Limited (Corporate Applicant/Debtor)

Case Facts:

- LML Limited was incorporated on 29.09.1972 as a manufacturer of 2 wheeler vehicles. Due to shift in the two wheeler market, manufacture of 4 stroke motorcycle became vital for LML. It entered into technical collaboration with Daelim of South Korea (a Honda pedigree) for making 4- stroke motorcycle.
- Several proposals were submitted by LML to its lenders but none could materialize in spite of all reasonable efforts of LML and it continued to suffer severe losses and erosion of liquidity.
- Due to losses, the net worth of LML eroded and the company filed a reference under the provisions of SICA with BIFR in the year 2006. On 08.05.2007, the BIFR declared the company as sick industrial company and appointed IDBI as operating agency.
- In spite of severe constraints and difficulties, the promoters of the company relentlessly pursued efforts to revive the company. In January 2011, LML submitted the draft revival scheme to BIFR. After several rounds of discussions and meetings on DRS, a consensus was reached between LML and its lenders for settlement of dues.
- LML has 9 lender, out of which 2 did not agree to the settlement agreement and IIBI being one of them, further assigned it to the third party.
- Eventually, 3 more lenders who had agreed to the settlement agreement earlier also withdrew from the agreement and assigned their debt to third parties. All these cases have been challenged by LML and the matter is sub-judice.
- Application u/s 10 of I & BC, 2016 has been filed by the Corporate Applicant/debtor for initiating the Corporate Insolvency Resolution Process. The total amount of debt being Rs. 35121.91 lacs

Observation of the Tribunal:

On the basis of the stated facts and legal position of the case, it was found that the corporate debtor has complied with the requirement of section 10 of the Code.

NCLT Ruling:

The petition was admitted and the moratorium was declared u/s 14 of the Code.

Case Highlight: M/s. Indus Financial Limited vs. Quantum Limited

Case Title: M/s. Indus Financial Limited vs. Quantum Limited
(Initiation of corporate insolvency resolution process by financial creditor)

NCLT Bench: Mumbai

Relevant Section: Section 7

Petitioner: Indus Financial Limited (Petitioner/Financial Creditor)

Respondent: Quantum Limited (Respondent/Corporate Debtor)

Case Facts:

- Petitioner functioning as NBFC had sanctioned a debt of Rs. 10 crore in favour of the respondent out of which only a sum of Rs. 2 Crore was disbursed in favor of the respondent. Interest on the said debt was regularly serviced by Quantum Limited for the period 26.02.2011 to 31.03.2012. However, the payment of interest from 01.04.12 to 31.12.12 was highly irregular and the account turned into NPA as on 31.03.13
- The financial creditor regularly pursued with the corporate debtor for recovery of its principal and interest. The corporate debtor made repayments thereafter intermittently by the account remained irregular.
- Meanwhile, the credit facilities enjoyed by the corporate debtor with Corporation Bank also turned into NPA and the said Bank sold this liability to J.M. Financial Asset Reconstruction Company Pvt. Ltd. ARC.

- The amount in default is Rs. 93,29,633/- which was treated as NPA being a defaulter of payment of monthly interest. Due to non-payment of monthly interest, pending since long, the corporate debtor had committed default as prescribed under the Code.
- It was brought to the notice of the Tribunal, that one more creditor viz. J.M. Financial Asset Reconstruction Company Ltd. had filed a petition before DRT, Pune. The applicant, in the said case had obtained the recovery certificate from the DRT against the defendant. The total amount payable under RC was around 14.5 crores. Besides, the simple interest at 12 % which were to be realized from the defendants (jointly and severally) along with the cost of application. The charges against all these amounts were kept on the properties hypothecated and mortgaged in favour of the applicant. As per the order of the DRT pronounced on 5th May, 2014 in said case, the applicant was at liberty to sell the mortgaged properties after two months from the date of the order for recovery of the dues.
- Another order passed by DRT Mumbai on 21.03.17 was brought to the notice of the Tribunal wherein the respondent bank also obtained recovery certificate against the applicant company from DRT Pune and the total dues payable by the applicant under R.C. was around 20 crores. Since the auction purchaser did not deposit the entire sale consideration, the applicant had right to redeem his property.
- Under the circumstances prevailing in the above cases, the DRT granted stay of any further proceedings subject to the condition that the applicant shall deposit Rs. 5 crores within four weeks and the remaining amount of Rs.14.26 Crores with interest at 12% per annum from the date of auction till the date of redemption within six weeks thereafter. However, if the applicant fails to comply any of the conditions, the respondent bank may move an appropriate application for vacation of stay.
- Hence the application was filed for the resolution of Corporate Insolvency Process.
- In the said petition, as per the applicant the present position is that vide order of the DRT dated 21.03.17 the auction purchaser had not deposited the entire sale consideration hence it was held by the DRT that in such a situation the applicant i.e. Quantum Ltd. (corporate debtor) shall have the right to redeem his property. The DRT further had granted stay to any further proceedings subjected to the direction that Quantum Ltd. (Corporate Debtor) shall deposit Rs. 5 crores within four weeks and remaining Rs. 14.26 Crore within 6 weeks. Accordingly, if the corporate debtor makes the balance payment then the original position of the auction may come and revive into operation.
- As per the argument made from the petitioner's side the period was expiring on 30.05.17. A question has been raised by the Bench that in a situation when proceedings are already in progress before the DRT then why a parallel proceedings be initiated before this Tribunal i.e. NCLT? To answer this query it is pleaded that there is no

overstepping in the jurisdiction of the DRT due to the reason that as per the provisions of Section 14(1) (c) of I& B Code the NCLT by an order can declare Moratorium, prohibiting any action to foreclose or recovery pertaining to a corporate debtor including any action under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. A statement at Bar has also been made that the petitioner i.e. Indus Finance Ltd. is ready to induct more funds so that the dispute with J.M. Finance of the corporate debtor should be resolved and the company may be revived by saving from winding up proceedings.

- From the Respondent's side, the corporate debtor also expressed that with the help of certain financial institutions the existing debts shall be squared up, so that the company may revive its business activity in near future.

NCLT Ruling:

After due consideration of the facts and circumstances of the case and the submissions made from both the sides, the petition was admitted.

Rejected Cases

Case Highlight: M/s Sports and Leisure Apparel Ltd. vs. M/s Bhasin Infotech and Infrastructure Private Limited.

Case Title: M/s Sports and Leisure Apparel Ltd. vs. M/s Bhasin Infotech and Infrastructure Private Ltd.

(Initiation of Corporate Insolvency Resolution Process by Operational Creditor)

NCLT Bench: Principal Bench

Relevant Section: Section 9

Petitioner: M/s Bhasin Infotech and Infrastructure Private Ltd. (Operational Creditor)

Respondent: Sports and leisure Apparel Ltd. (Corporate Debtor/Operational Debtor)

Case Facts:

- On the representation made by the corporate debtor, the applicant was persuaded to accept an offer to take on lease a commercial space/shop in the upcoming mall and has consented for taking on lease shops on lower ground floor.
- To that effect, an MOU dated 24.05.2008 was entered into and a sum of Rs. 7,22,292/- was deposited as security. According to the terms of the MOU, the operational debtor was to hand over the shops to the operational creditor on or before January 2010 and in the event of delay in handing over the possession, the operational creditor was entitled to 15% interest per annum on the security amount. However, in case of delay beyond the period of six months, the operational creditor was entitled for refund of security along with interest.
- The operational debtor failed to deliver possession of shops as per stipulations of the MOU and thereafter even the security deposits were also not released.
- Legal notice was sent to the operational debtor on 01.10.2016 demanding the principal outstanding amount along with 15% interest per annum from the date of payment of security deposit.
- Under the circumstances mentioned above, the petition was filed by the operational creditor for initiating insolvency process against the respondent company.

Observation of the Tribunal:

The Tribunal referred to its reasoning in cases with similar facts and circumstances as in Nikhil Mehta vs. AMR Infrastructure, Mukesh Kumar vs. AMR Infrastructure and Col. Vinod Awasthi vs. AMR Infrastructure. In all these cases, it was concluded that person similarly placed like the petitioner would not fall within the definition of “Operational Creditor” as given in section 5 (20) and section 5 (21). The basic reason for concluding in the aforesaid manner was that the claim of the petitioner does not stem from making a provision for goods or service including employment.

NCLT Ruling:

Adopting and reiterating the reasoning given in the cited judgments, the claim made by the petitioner could not be accepted and accordingly the petition was rejected.

Case Highlight: M/s Leo Duct Engineers & Consultants Ltd.

Case Title: M/s Leo Duct Engineers & Consultants Ltd.
(Initiation of Corporate Insolvency Resolution Process by Corporate Debtor/Applicant)
NCLT Bench: Mumbai Bench
Relevant Section: Section 10
Petitioner: M/s Leo Duct Engineers & Consultants Ltd. (Corporate Debtor/Applicant)

Case Facts:

- The Corporate Debtor, being unable to liquidate its huge outstanding liabilities and being in clear default towards their financial creditors, more specifically towards Canara Bank and Standard Chartered Bank. Hence they filed the petition under section 10 of the I & BC, 2016 for initiation of Corporate insolvency Resolution Process.
- The amount of debt was around Rs. 32 crores approximately.
- Upon notice being issued, the Standard Chartered Bank (being one of the creditors) vehemently opposed the Corporate Debtor’s prayer for initiating resolution process. It

was categorically stated by the said bank that the immovable properties of the corporate debtor were to be repossessed today and the only motive to file the present proceeding was to get a moratorium in terms of section 14 of the Code.

- The initiation of proceedings under SARFAESI by both the banks was confirmed in the petition itself.

Observation of the Tribunal:

- Though the facts of the case fulfil the requirement for initiating a resolution process by a corporate debtor to salvage whatever can be secured and the liability of the creditors liquidated at the earliest, as also to ensure that the assets do not fall into disarray or dissipate, what was notable was that to avail the credit facilities from the Banks, the corporate debtor had offered not only its immovable properties as securities but also the personal guarantees of its directors and others, mortgaging several immovable properties in favour of the Banks.
- Further, after considering the facts and submissions made by the Banks, it appeared that the corporate debtor was eager to sound its own death knell, presumably to scuttle the proceedings before SARFAESI as the consequential moratorium imposed u/s 14 of the Code, on admission of this petition would automatically stay the proceedings vide which personal properties of the guarantors offered as securities shall not be enforced or taken possession of. Under the provision of SARFAESI, guarantees can be invoked as the liability towards the financial creditors would be joint and several. However, in the resolution process, these personal properties would neither be seized, attached nor repossessed as the resolution professional would only be concerned about the assets of the corporate debtor or any immovable property in its name. The direction for imposing a moratorium would suit the directors and the guarantors perfectly from being dispossessed from their immovable properties.
- The admission of the petition would have serious impact on the financial creditors who have already set the wheel in motion to secure their debts. The apprehension of taking away the physical possession of their valuable properties and being dispossessed appears to be the motivation for the corporate debtor to approach the Tribunal under the Code, rather than ensuring resolution of their debts or seeking a turnaround of the corporate business.

NCLT Ruling:

In the facts of the case, the bench did not deem just, fit and proper to admit the petition as initiation of proceedings by corporate debtor shall cause irreparable loss and injury to the Banks and an uncalled for protection to the borrowers and various guarantors. Resultantly, the petition was rejected.

Other Rejected Cases

Sr. No.	Name of the Case	Case Status
1.	ABB India Ltd. vs. Varun Resource Ltd.	<p>The matter was filed under section 9 of The Insolvency & Bankruptcy Code, 2016 before the Mumbai Bench of National Company Law Tribunal.</p> <p>This matter was dismissed on the ground that Insolvency Resolution Process has already been initiated against the said corporate Debtor, vide CP No.247/2017(Indian Bank vs. Varun Resources Ltd.).</p>
2.	ILSA Shipping & Logistics Private Limited vs. Jyoti Structures Ltd.	<p>The matter was filed under section 9 of The Insolvency & Bankruptcy Code, 2016 before the Mumbai Bench of National Company Law Tribunal.</p> <p>This matter was dismissed on the ground that the corporate debtor had given an undertaking whereby he had agreed to make payment of the operational debt.</p>
3.	Shah Ways Pvt. Ltd. vs. Hindustan Construction Company Ltd.	<p>The matter was filed under section 9 of The Insolvency & Bankruptcy Code, 2016 before the Mumbai Bench of National Company Law Tribunal.</p> <p>This matter was dismissed on the ground that petitioner counsel had failed to present for making their submissions.</p>

Relevant News Updates & Information

1. IBBI Update:

Insolvency and Bankruptcy Moot Competition

The National Law University, Delhi, in collaboration with INSOL India and Society of Insolvency Practitioners of India (SIPI), and supported by the Insolvency and Bankruptcy Board of India (IBBI) has initiated a Moot Competition on Insolvency and Bankruptcy. The first edition of the Competition will be held on 28-29 October 2017 in New Delhi, India. Theme of the inaugural edition is corporate insolvency resolution process (CIRP). Kesar Dass B. & Associates (KDB) Delhi and Rajah and Tann Asia of Singapore, are the sponsors partners.

Insolvency is a sophisticated and complex economic law. It is one of the most critical components of the financial architecture of any country involving a wide range of stakeholders. It is critical that the students of law, commerce and management understand the nuances of this specialized subject by both, education and training in this field. This will enable them to choose a career out of many streams of profession this branch of commercial law offers and prepare them for industry engagement. This is probably the first Competition curated on the subject of insolvency after the enactment of Insolvency and Bankruptcy Code 2016 (IBC). Format of Competition is based on the process envisaged under IBC.

For further information regarding the competition, kindly visit:

<http://www.ibbi.gov.in/upcomming-events.html>

<http://www.insolindia.com/nlu-delhi-insol-india-international-moot-competition-on-insolvency.php>

<http://nludelhi.ac.in/up-event1.aspx?id=3055>

2. SEBI Update:

With a view to facilitate turnaround of listed companies in distress which will benefit their shareholders and lenders, the Board has eased rules on the restructuring of distressed companies, making it easier for banks to sell them off.

Currently, exemptions from preferential issue requirements and open offer obligations are available for banks undertaking the restructuring of listed companies in distress through strategic debt restructuring (SDR) as per RBI guidelines.

These relaxations have been now extended to new investors acquiring shares in distressed companies following such restructuring schemes. Accordingly, the new investors need not make an open offer to minority shareholders of companies they take control of.

3. IPA ICAI Update:

IPA ICAI to organize Round Table Programme

- The Insolvency Professional Agency of Institute of Cost Accountants of India (IPA ICAI) is organizing a round table programme for discussion on Companies (Registered Valuers and Valuation) Rules, 2017 on Tuesday, 4th July, 2017 at Eastern India Regional Council office of the Institute of Cost Accountants of India, 84, Harish Mukherjee Road, Kolkata – 700 025.
Mr. Navrang Saini, the Whole Time Member of Insolvency and Bankruptcy Board of India has consented to chair the programme.

- The Insolvency Professional Agency of Institute of Cost Accountants of India (IPA ICAI) had organized two similar round table programmes in Mumbai and Bangalore in the month of June 2017. The programmes were well attended and appreciated by the professionals.



Insolvency Professional Agency of
Institute of Cost Accountants of India

Insolvency Professional Agency of Institute of Cost Accountants of India (IPA of ICAI)

(Section 8 Company of the Institute of Cost Accountants of India)

About IPA of ICAI: *The Insolvency Professional Agency of Institute of Cost Accountants of India (IPA of ICAI), a section 8 company incorporated under the Companies Act 2013 has been promoted by the Institute of Cost Accountants of India to enroll and regulate Insolvency Professionals (IPs) as its members in accordance with provisions of the Insolvency and Bankruptcy Code 2016, Rules, Regulations and Guidelines issued thereunder.*

Enroll and Register as an Insolvency Professional

Enrollment is Open: For Professionals & Advocates and Graduates having Management Experience

IPA of ICAI enrolls the professionals as 'Insolvency Professionals' under Regulation 7 read with Regulations 4 & 5 of Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016, if

1. He/she has passed the '*Limited Insolvency Examination*', conducted by the Insolvency & Bankruptcy Board of India (IBBI) and
2. Has/she has ten years of experience as -
 - (a) a cost accountant enrolled as a member of the Institute of Cost Accountants of India,
 - (b) a chartered accountant enrolled as a member of the Institute of Chartered Accountants of India,
 - (c) a company secretary enrolled as a member of the Institute of Company Secretaries of India, or
 - (d) an advocate enrolled with a Bar Council

OR

3. He/ she has fifteen years of experience in management, after receiving a Bachelor's degree from a University

Professional may function as:

- ❖ Interim Insolvency Professional in Corporate, Individual and Partnership Insolvency Process; Fast Track Corporate Insolvency Process; and Fresh Start Process;
- ❖ Resolution Professionals for Corporate, Individual and Partnership Insolvency Process; Fast Track Corporate Insolvency Process; and Fresh Start Process;
- ❖ Liquidator in Liquidation Process for Corporate Persons;
- ❖ Liquidator in Voluntary Liquidation for Corporate Persons;
- ❖ Bankruptcy Professional for Bankruptcy of Individual and Partnership Firm.

Why to enroll as Insolvency Professional

- ✚ It's a niche area of practice with opportunities galore
- ✚ With the first mover's advantage, there is an opportunity to create a brand name
- ✚ Adequate handholding from IBBI and the IPA of ICAI

CMA J. K. Budhiraja

CEO, Insolvency Professional Agency of Institute of Cost Accountants of India

Registered Address:

CMA Bhawan, 4th Floor, 3, Institutional Area, Lodhi Road,
New Delhi- 110003

Phone No.: 011 24666141, 24666120

Mail Id: ipa@icmai.in

Website: www.ipaicmai.in

